



Biotech Daily

Friday June 18, 2010

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: CATHRX UP 15%, CLINUVEL DOWN 4%**
- * **PATRY'S ADDS TWO MORE CANCER COMPOUNDS TO PIPELINE**
- * **PHARMAXIS CEO DR ALAN ROBERTSON INVESTIGATES HOSPITAL CARE**
- * **ALL CHANGE AT NOVOGEN, US MARSHALL EDWARDS**
- * **CM CAPITAL REDUCES 2.8% IN CATHRX**
- * **AIDS ACTIVISTS CALL ON AVEXA TO REVIVE APRICITABINE**
- * **CORRECTION: FERMISCAN DEED OF COMPANY ARRANGEMENT**
- * **BIOTECH WINS SIX OF 16 FRESH SCIENCE GONGS**
- * **US HEPATITIS C PATENT FOR BENITEC**
- * **DR RICHARD OPARA REDUCES, DILUTED 17% IN ACUVAX**
- * **NEURODISCOVERY EGM TO SELL NEUROSOLUTIONS**
- * **ORBIS INCREASES TO 9% OF STARPHARMA**

MARKET REPORT

The Australian stock market climbed 0.5 percent on Friday June 18, 2010 with the S&P ASX 200 up 24.6 points to 4551.9 points. Twenty of the Biotech Daily Top 40 stocks were up, five fell, nine traded unchanged and six were untraded.

Cathrx was best, up four cents or 15.4 percent to 30 cents with 127,239 shares traded, followed by Tissue Therapies up 10.8 percent to 20.5 cents with 840,717 shares traded and Genera up 10 percent to 55 cents with 78,200 shares traded.

Prana and Universal Biosensors climbed more than nine percent; Heartware was up 7.3 percent; Alchemia, Benitec, Cellmid and Virax were up five percent or more; Viralytics was up 4.55 percent; Biota, Chemgenex, LBT and Prima were up more than three percent; Living Cell rose 2.2 percent; with Circadian and Mesoblast up more than one percent.

Clinuvel led the falls, down one cent or 4.1 percent to 23.5 cents with 14,677 shares traded. Bionomics lost 3.45 percent, with Acrux down 1.55 percent.

PATRY'S

Patry's says it has added two promising compounds to its oncology pipeline PAT-SM4 and PAT-SM5, taking its pipeline to 13 products.

Patry's said it intended to add two new products a year to its pipeline and had added three products to its pipeline since July 1, 2009.

Patry's said PAT-SM4 had been shown to bind to 97 percent of 91 different tumors obtained from patients with a variety of cancers including gastric, pancreatic, lung, breast and prostate cancers.

The company said PAT-SM4 had been shown to be effective at reducing proliferation on a variety of cancer cell types, including pancreatic, colon and lung cancer cells.

Patry's said PAT-SM5 had been shown to bind to 79 percent of 89 different tumors obtained from patients with a variety of cancers including pancreatic, lung, breast and ovarian cancers.

Similar to PAT-SM4, PAT-SM5 had been shown to be effective in laboratory experiments at inhibiting proliferation of pancreatic, colon and lung cancer cells, the company said.

Patry's said that both PAT-SM4 and PAT-SM5 would be advanced into animal experiments to further define their respective anti-cancer activities and to help identify the most appropriate cancers to target for future clinical trials.

The company said that its research and development unit would identify the target for each antibody, which is the protein on the surface of cancer cells against which the products are directed.

Patry's said that its most advanced compound PAT-SC1 had been evaluated in a phase I/II human clinical trial where it "significantly extended the survival of treated gastric cancer patients versus a non-treated historical control group".

Patry's chief executive officer Dan Devine said the company's strategy was "to mature as quickly as possible by advancing several products through human clinical trials as internal programs and partnering additional products with larger companies".

"This approach offers multiple and diverse opportunities for value creation while at the same time lowering the need to develop all of our products using internal resources," Mr Devine said.

"This strategy is dependent on generating new products on a continual basis, and our R&D team has proved that it can do this effectively," Mr Devine said.

"So while we already have multiple internal products at the clinical development stage, and also many products subject to existing commercial transactions, we can continue to add new internal and partnering opportunities in an ongoing manner," Mr Devine said.

Patry's said that patent applications had been filed to cover PAT-SM4 and PAT-SM5 and a patent application had been filed to cover PAT-SM3, which was elevated to Patry's' pipeline in March of this year.

Patry's was unchanged at 11 cents.

PHARMAXIS

Pharmaxis says chief executive officer Dr Alan Robertson has undergone a medical procedure and is expected to be absent from the office "for the next few weeks".

Pharmaxis chairman Denis Hanley said Dr Robertson was expected to make a full recovery and in his absence Dr Robertson's duties would be handled by other members of the senior management team led by chief operating officer Gary Phillips and chief financial officer David McGarvey.

Biotech Daily joins Pharmaxis' board and staff in wishing Dr Robertson a speedy recovery. Pharmaxis fell one cent or 0.3 percent to \$3.12.

NOVOGEN

Following their failed phase III cancer trial Novogen and its US subsidiary Marshall Edwards have implemented significant changes to senior management.

Novogen said its 72 percent US subsidiary had appointed Thomas Zech as its San Diego-based chief financial officer and company secretary.

The company said its former Australian chief financial officer and acting chief executive officer David Seaton would leave the company along with the group director of research Prof Alan Husband.

Earlier this month Novogen's fell as much as 57.0 percent to 17 cents following the release of non-significant results for its 142-patient phase III phenoxodiol ovarian cancer trial (BD: Jun 2, 2010).

Marshall Edwards licenced phenoxodiol from Novogen and dosed the first phase III trial patient in 2006.

The company said at that time that the trial of oral phenoxodiol in women with recurrent ovarian cancer "determined that the trial did not show a statistically significant improvement in its primary (progression-free survival) or secondary (overall survival) endpoints".

Today, Novogen said Prof Husband would leave the group at the end of June 2010 while Mr Seaton would continue for a period as a consultant.

Novogen said Dr Daniel Gold was appointed chief executive officer of Marshall Edwards in April and the changes were "part of the continuing strategy to focus the group's resources towards oncology drug research and development".

Novogen said Mark Hinze had been appointed chief financial officer and operations manager.

The company said Mr Hinze had been with Novogen for more than 10 years and was previously the group's financial controller.

Novogen chairman Philip Johnson said: "We are all grateful for the significant contribution Prof Husband and Mr Seaton have made to the Group and wish them well in their future endeavors."

Mr Johnston said that following the results of the company's phase III ovarian cancer trial the board had conducted "an exhaustive review of all options available to it to ensure shareholder value is maximized".

"These include structural options and changes to the composition of the board and it expects to provide further information in the months ahead as these plans are finalized," Mr Johnson said.

The company said further "management changes" would take effect from the end of June. Novogen said its staff would "continue to work closely with Marshall Edwards in developing the group's cancer compounds and will continue to provide Marshall Edwards with administration and technical services".

Novogen said it would continue to seek opportunities to develop its Glucan technology and to maximize shareholder value from its consumer health care business.

Novogen was unchanged at 17 cents.

CATHRX

CM Capital has reduced its substantial holding in Cathrx from 17,349,801 shares (15.805%) to 14,297,301 shares (13.024%).

The substantial shareholder notice said CM Capital sold 3,052,500 shares for \$488,400 or 16.0 cents a share.

Cathrx was up four cents or 15.4 percent to 30 cents.

[AVEXA](#)

Members of the AIDS Treatment Activists Coalition New York and the European AIDS Treatment Group in Brussels have called on Avexa to continue to develop apricitabine. The letter, addressed to Avexa's former head of drug development Dr Susan Cox and copied to chairman Nathan Drona and company secretary Stephen Kerr the two groups called on "the decision makers at Avexa to reconsider the decision to stop the development of apricitabine, a nucleoside analog that has shown good efficacy in patients with the most common nucleoside mutation, M184V".

The letter said apricitabine could mean "the tipping point between success and failure of a salvage regimen – between life and death".

The groups cited data on multi-drug resistant HIV and quoted a 2009 survey of 94 responding HIV clinicians in the US which found about 250 patients unable to construct a viable regimen due to resistance.

"Other small companies developing new HIV drugs, such as Taimed and Myriad have faced the same difficulties in finding partners that Avexa has," the letters said.

"Of these companies' drugs, though, apricitabine stands out as a member of a well-understood class, the one nearest to approval and as an agent addressing one of the most common forms of drug resistance among all people with HIV including those still naïve to treatment," the AIDS treatment and activists groups said.

"For the salvage population, convenience in dosing is not the issue, activity is," the letter said.

The groups said that the US Food and Drug Administration recognized the need for new salvage therapies and appeared willing to work with companies to bring new products to market in this difficult environment.

"The tide is turning; this is not the time to abandon apricitabine," the letter said.

We the undersigned believe that apricitabine is a potentially important drug, and one of the few products currently in the pipeline that could help patients with multi-drug resistance tip the balance in favor of viral suppression, health, and, for many, life itself," the letter said.

"We ask that Avexa reconsider its decision not only based on potential sales but also on the survival of patients at risk," the letter said.

Avexa closed the apricitabine program last month, following the release of non-significant phase III trial data (BD: May 10, 2010).

Avexa said at that time it had demonstrated that apricitabine had efficacy and that of the 36 patients who successfully completed the phase II study, "94 percent [34 patients] maintained undetectable viral loads up to week 144", but the 24-week data from its phase III HIV trial showed a non-significant positive clinical benefit for apricitabine compared to the standard of care, 3TC (BD: Feb 4, 5 and 15, 2010).

Avexa was unchanged at three cents with 3.5 million shares traded.

[CORRECTION: FERMISCAN](#)

In last night's edition Biotech Daily quoted Fermiscan director Ben Dillon saying the deed of company arrangement had been "terminated" on June 11, 2010.

According to Mr Dillon and other Fermiscan-related entities the announcement was intended to mean that the deed was an arrangement with creditors and it had been completed and the company was no longer in administration.

Mr Dillon told Biotech Daily that the board was considering a range of alternatives for the future of the company.

Fermiscan was untraded at three cents.

FRESH SCIENCE AWARDS

Biotechnology researchers have won six of the 16 Fresh Scientist awards for research by early-career scientists.

Run by Science Now and organized by Science In Public's Niall Byrne, Fresh Science is a national competition that each year selects 16 winners from about 80 nominations.

Mr Byrne said the winners were flown to Melbourne for a day of media training after which they present their work to the media, students, scientists, government and industry over three days described as "a boot camp in science communication".

The University of Sydney School of Physics researcher Dr Peter Domachuk won his award for creating a material to run sensitive medical tests. Dr Domachuk found that the protein fibroin in silk was nearly transparent and could trap biological molecules without affecting their activity, making fibroin a platform for monitoring how molecules react.

The University of New South Wales Graduate School of Biomedical Engineering's Dr Rylie Green designed plastic electrodes that could form the basis of more versatile electronic devices at the heart of bionic ears, eyes and limbs. Dr Green's conducting plastics have textured surfaces that encourage the attachment of nerve cells and pass electric currents more efficiently. The electrodes can be impregnated with natural proteins to encourage regeneration of nerves in patients needing bionic implants.

Monash University School of Chemistry researcher Bianca van Lierop has developed a form of insulin that does not have to be refrigerated, aiding diabetics who live in remote locations or developing countries. Ms van Lierop and her team stabilized the insulin molecule by changing its chemical structure without affecting its activity.

The University of Melbourne's Department of Mechanical Engineering's Dr David Ackland developed a shoulder-joint implant, with the ball and socket joints reversed to increase mobility and stability of the joint while reducing pain.

The University of Western Australia's School of Microbiology and Immunology's Naomi McSweeney has been developing a bacteria to be used in industrial waste decontamination in minerals processing.

According to Fresh Science, University of Sydney School of Biological Sciences' doctoral student Bridget Murphy won her award for connecting zoology to cancer.

Ms Murphy is researching an unusual link between Australian lizards that give birth of live young and human skin cancer.

Other Fresh Scientist awards were won by:

the University of South Australia's Dr Nasrin Ghouchi Eskandar, for nano-particles lead to a mega-impact on cosmetics;

the Bureau of Meteorology's Dr Andrew Dowdy for new ways to predict bushfires from the weather; the University of Melbourne's Dr Julien Ridoux for beating microseconds to synchronize computers;

the Cooperative Research Centre (CRC) for Greenhouse Gas Technologies' Dr Colin Scholes for a plastic membrane to make carbon capture cheaper;

the CRC for Contamination Assessment and Remediation of the Environment's Jason Du for squeezing good water from mining waste;

the Anglo-Australian Observatory and University of Melbourne's David Floyd for how black holes can become the brightest objects in the Universe;

the CSIRO's Jennifer Finn for controlling weeds with fertilizer;

the University of Tasmania's researcher Natalia Galin for work on satellite radar measurement of polar sea ice snow thickness;

the South Australian Research and Development Institute's Andrew Ward for recycling pig waste; and

the CSIRO's researcher Jacek Jasieniak for printable microlasers.

[BENITEC](#)

Benitec says it has been granted a US patent entitled 'Multiple promoter expression cassettes for simultaneous delivery of RNAi agents targeted to hepatitis C virus'. Benitec said the US Patent and Trademark Office-granted claims cover the use of an RNA interference construct with multiple promoters to inhibit the level of hepatitis C virus in animal cells, tissues and organs.

The company said the USPTO granted Benitec an additional 805 days patent term in recognition of the delays in examining the patent application.

Benitec said that additional related applications were pending to extend the scope of protection.

Benitec said it had licenced the exclusive rights to use the hepatitis C patent to Tacere Therapeutics, which "recently announced that Pfizer has exercised its option to further develop and commercialize Tacere's hepatitis C virus compounds.

Benitec's chief executive officer Dr Peter French said the patent grant was "an important further recognition of our dominant global position in the transformational DNA-directed RNA interference field and provides increased depth and breadth to our patent portfolio".

Dr French said Benitec's ddRNAi-related patent estate was solely-owned or licenced exclusively for humans from the Commonwealth Scientific and Industrial Research Organisation, which comprised more than 100 patents and patent applications covering 20 jurisdictions, of which more than 30 were granted, accepted or allowed.

Benitec was up 0.2 cents or 5.9 percent to 3.6 cents.

[ACUVAX](#)

Former Avantogen (now Acuvax) director Dr Richard Opara and related companies have been diluted in and reduced their substantial holding in Acuvax.

In April 2008 Dr Opara and related companies Chopin Opus One and Chopin Holdings held 449,927,500 shares which were 77.89 percent of the company at that time (BD: Apr 28, 2008).

That holding was diluted to 62.55 percent following a series of capital raisings.

Last night's announcement to the ASX said Dr Opara and the related companies had reduced their substantial shareholding from 449,927,500 shares (62.55%) to 437,927,500 shares (61.01%).

The substantial shareholder notice said the 12,000,000 shares were sold for \$60,000 or half a cent per share.

Acuvax was unchanged at 0.4 cents with 1.7 million shares traded.

[NEURODISCOVERY](#)

Neurodiscovery shareholders will vote on a resolution to sell 100 percent of its Neurosolutions business.

Earlier this week, Neurodiscovery said it would sell its UK based services business to a management buy-out team (BD: Jun 15, 2010).

The meeting will be at Level 11, 225 St Georges Terrace, Perth on July 22, 2010 at 2pm. Neurodiscovery was unchanged at 3.4 cents.

STARPHARMA

Orbis Investment Management related bodies have increased their substantial shareholding in Starpharma from 18,244,802 shares (7.6%) to 20,809,039 shares (8.7%). Orbis said the 2,564,237 shares were acquired for \$1,637,927 or an average price of 63.9 cents a share.

Starpharma was “unchanged” at 55 cents with 7.6 million shares traded, of which 7,548,455 were traded in a single “crossing” at 50 cents, meaning two parties agreed to a share trade.